

Minutes of the
Board of Minerals and Environment
Telephone Conference Call Meeting
523 East Capitol Avenue
Pierre, South Dakota

9:00 a.m. CST
March 19, 2003

CALL TO ORDER AND ROLL CALL: The meeting was called to order by Chairman Richard Sweetman. The conference operator called the roll. A quorum was present.

BOARD MEMBERS PARTICIPATING: Richard C. Sweetman, Lee McCahren, Wilbert Blumhardt, Linda Hilde, Kathy Johnson, and Charles Monson.

BOARD MEMBERS ABSENT: Mike DeMersseman, Pat Healy, and Brian Radke.

OTHERS: DENR staff members Eric Holm, Brian Gustafson, and Brenda Binegar.

APPROVAL OF MINUTES FROM FEBRUARY 20, 2003, MEETING: Motion by Johnson, seconded by Hilde, to approve the minutes from the February 20, 2003, Board of Minerals and Environment meeting. Motion carried.

Mr. McCahren noted that he had issued an Order continuing the hearing in the matter of Oil and Gas Case No. 2-200. Luff Exploration Company is requesting an order approving unitization for the development and operation of the pool of oil known as the Red River "B" Pool. The matter will be heard at the April 16-17, 2003, Board of Minerals and Environment meeting.

SURFACE MINING ISSUES: Eric Holm was administered the oath by Lee McCahren. He testified regarding releases of liability, transfers of liability, acceptance of surety rider, and the transfer of a mine permit (see attached matrix sheet).

Releases of Liability: Motion by Blumhardt, seconded by Monson, to release liability for the following: Dacotah Cement, Rapid City, SD, Mine License No. 89-383, one site in Meade County; Spearfish Sand & Gravel, Spearfish, SD, Mine License No. 96-576, one site in Lawrence County; Weatherton Contracting Company, Inc., Beresford, SD, Mine License No. 88-364, one site in Custer County; and DOT - Pierre Region, Pierre, SD, Mine License No. 83-10, one site in Lyman County. A roll call vote was taken, and the motion carried unanimously.

Transfers of Liability: Moved by Hilde, seconded by Monson, to transfer liability for one site in Lawrence County from Weatherton Contracting Company, Inc., Beresford, SD, Mine License No. 88-364 to Fisher Sand & Gravel Company, Dickinson, ND, Mine License No. 83-54; to transfer liability for one site in Meade County from Meade County Highway Department, Sturgis, SD, Mine License No. 83-113 to Steve Bestgen, Whitewood, SD, Mine License No. 92-472; and to transfer liability for one site in Sully County from Sully County Highway

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Department, Onida, SD, Mine License No. 83-132 to B & B Equipment, Pierre, SD, Mine License No. 95-546. A roll call vote was taken, and the motion carried unanimously.

Acceptance of Surety Rider: Motion by McCahren, seconded by Johnson, to accept rider increasing the surety to \$13,000 for Aggregate Industries North Central Region, Moorhead, MN, Mine License No. 87-361. A roll call vote was taken, and the motion carried unanimously.

Transfer of Mine Permit: Motion by Monson, seconded by Hilde, to release \$2,000 to Francis Krejci, and to transfer Mine Permit No. 417 from Raymond, Francis, and Fred Krejci, Lead, SD, to Fred and Andrew Krejci, Springfield, NE. A roll call vote was taken, and the motion carried unanimously.

Mr. McCahren said the board would prefer that the surety company or bank that holds the certificate of deposit be located in South Dakota.

OTHER BUSINESS: Mr. McCahren noted that Pacer had submitted an application to build a facility north of the city of Custer.

Brian Gustafson requested permission to advertise for a hearing at the May 2003 meeting to consider amendments to 74:36, Air Pollution Control Program.

Motion by Johnson, seconded by Hilde, to authorize the department to advertise for a May 2003 public hearing to consider amendments to 74:36. A roll call vote was taken, and the motion carried unanimously.

Chairman Sweetman noted that the next board meeting is April 16 and 17, 2003, at the Matthew Training Center, Pierre.

ADJOURNMENT: Chairman Sweetman declared the meeting adjourned at 9:30 a.m. CST.

Wilbur Blundell 4-16-03
Secretary Date

Chun 4-16-03
Witness Date

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<u>License/Permit Holder</u>	<u>License/ Permit</u>	<u>Site No.</u>	<u>Surety Amt.</u>	<u>Surety No.</u>	<u>Surety Company/Bank</u>	<u>DENR Recommendation</u>
<u>Releases of Liability:</u>						
Dacotah Cement Rapid City, SD	89-383		EXEMPT	NA	NA	Release liability.
		383001	N1/2 SW1/4 & S1/2 SW1/4 Section 5; T2N-R7E, Meade County			
Spearfish Sand & Gravel Spearfish, SD	96-576		\$20,000	55-164588	United Fire & Casualty Company	Release liability.
		576002	S1/2 SW1/4 Section 10; T7N-R2E, Lawrence County			
Weatherston Contracting Co. Inc. Beresford, SD	88-364		\$20,000	141551847	Continental Casualty Company	Release liability.
		364040	Section 29, 30, 31, 32, 33, 34, & 35; T3S-R7E and Section 2, 3, 4, 10, & 11; T4S-R7E; Custer County			
DOT - Pierre Region Pierre, SD	83-10		EXEMPT	NA	NA	Release liability.
		10031	N1/2 Section 17; T103N-R73W, Lyman County			

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<u>Transfers of Liability:</u>						
Weather-ton Contracting Co. Inc. Beresford, SD	88-364		\$20,000	141551847	Continental Casualty Company	Transfer liability.
		364028	NE1/4 SE1/4 NW1/4 Section 1; T5N-R4E, Lawrence County			
Transfer to:						
Fisher Sand & Gravel Company Dickinson, ND	83-54		\$20,000	190-002-030	Liberty Mutual Insurance Company	
Meade County Highway Department Sturgis, SD	83-113		EXEMPT	NA	NA	Transfer liability.
		113012	Section 32; T7N-R5E, Meade County			
Transfer to:						
Steve Bestgen Whitewood, SD	92-472		\$500 \$1,000	64336 15342	First National Bank, Pierre First National Bank, Pierre	
Sully County Highway Department Onida, SD	83-132		EXEMPT	NA	NA	Transfer liability.
		132014	SW1/4 Section 35; T113N-R80W, Sully County			
Transfer to:						
B & B Equipment Pierre, SD	95-546		\$1,000 \$1,000	9315 9388	American State Bank, Pierre American State Bank, Pierre	

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<u>Acceptance of Surety Rider:</u>						
Aggregate Industries North Central Region Moorhead, MN	87-361		\$12,500	08BSBBQ9413	Hartford Fire Insurance Company	Accept rider increasing surety to \$13,000.
<u>Transfer of Mine Permit:</u>						
Raymond, Francis, & Fred Krejci Lead, SD	417		\$800 \$1,200	10493 11096	First Western Bank, Sturgis First Western Bank, Sturgis	Transfer Permit 417 to Fred & Andrew Krejci. Release \$2,000.
NE1/4 Section 34; T5N-R2E, Lawrence County						
Transfer to:						
Fred & Andrew Krejci Springfield, NE			\$2,000	03-00059853	TierOne Bank Omaha, NE	